

## *How to Make a Qualified Charitable Distribution (QCD)*

### *From Your IRA in 2020*

If you are at least 70½ years old, you are eligible to make a qualified charitable distribution (QCD) from a traditional or Roth IRA. Amounts distributed to support the Darden School Foundation will be excluded from federal income.

#### **Know the Details**

- You must be **at least 70½ years old** on the date of the distribution to charity.
- Distributions must be made **from an IRA**, including inactive SEP and SIMPLE plans. Distributions from any other type of retirement plan (401(k), 403(b), 457, Keogh, and active SEP and SIMPLE plans) will not qualify.
- QCD distributions are limited to **\$100,000 in total** during each year.
- A distribution must be made **outright** to a **qualified public charity** and cannot be used to fund a charitable remainder trust, gift annuity, donor advised fund or family foundation.
- Your plan administrator **must transfer the funds directly**; you may not receive the distribution first and then transfer it to the charity.
- The distribution **must be received** by the charity on or before **31 December 2020** to be counted in the 2020 tax year.
- Each distribution will be **excluded from federal taxable income**.
- Because the QCD distribution is not taxable income, you **cannot claim a deduction** for federal tax purposes. Some states may treat distributions as income followed by a deduction. Please check with your tax adviser to learn more.
- Note that QCDs typically count toward your required minimum distribution (RMD) if you are required to take one, but the federal CARES Act has eliminated RMDs in most cases for the 2020 tax year. Using a QCD to make charitable gifts will reduce the value of your IRA and taxable RMDs in future years.

*For a more complete description of the IRS regulations, please see the most recent version of IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), at <https://www.irs.gov/forms-pubs/about-publication-590-b>.*

#### **Support Your Passion!**

You may contribute your QCD gift to the University or any of its schools, units, programs or related foundations. **For a distribution to Darden, please designate the Darden School Foundation, tax ID #54-6046419. If you are interested in contributing a QCD to Darden or another entity related to the University of Virginia, we are happy to provide a sample letter directing your IRA plan administrator to make a distribution from your IRA account.**

You may further designate your gift for **either unrestricted or restricted use** by Darden. If you wish to restrict your QCD to support a particular program or priority, we recommend you contact us first to review your intended provisions so we can be certain we can carry out your wishes.

Please contact Corley Raileanu with any questions at +1-434-243-4835 or [plannedgiving@arden.virginia.edu](mailto:plannedgiving@arden.virginia.edu).

Thank you for your generosity!